



Core Specialty Completes American Surety Takeover

Jairo Ibarra June 3, 2024

Core Specialty has completed its cash-and-stock acquisition of American Surety and Underwriters Surety.

The deal establishes Core's 17th business unit, adding to the bond, credit and guarantee subsegment, and includes a Treasury listing providing access to other bonding opportunities.

The transaction was announced last November, along with the formation of the bond, credit and guarantee sub-unit. The formation of three other sub-segments was also announced at the time — property and short-tail, specialty casualty, and fronted programs.

Core said that American Surety, which has a history of over 30 years, will retain its brand, management team and operating locations in Indianapolis, Indiana and Peoria, Illinois.

The insurer also announced the appointment of Tim Martin as president of the surety arm. The executive has over four decades' experience and spent the past 10 years as bond division VP at Great American before retiring.

"The surety market included approximately \$10bn in direct premiums written in 2023. We believe that the surety market represents a highly attractive market segment for us to enter, given its strong underwriting profitability over time and barriers to entry," said Jeff Consolino, Core Specialty founder and CEO.

"We welcome the American Surety team and, under Tim's leadership, we look forward to adding contract surety capabilities to further build our surety business."

Core Specialty has executed a series of small- to mid-sized MA deals to expand its specialty capabilities.

Earlier this year, the company struck a deal to take on American National's \$388mn-premium Specialty Markets Group.